lift to the economy at a time of economic weakness. Now the Republican White House is going out and saying they are the ones who had the idea. They are not. Anybody who cares to research it can go back and look at the President's budget—not just the first budget he submitted, but the second budget he submitted, the follow-on budget in the spring. It is the same thing. He had virtually no tax cut last year.

The February budget had virtually no tax cut, and his April budget had virtually no tax cut. The people who were pushing for a big tax cut last year for the year 2002 were those of us on this side of the aisle, Democrats. And we were right.

As it turns out, we were also right to oppose the size of his 10-year tax reduction because we said then—two things. No. 1, it would endanger the trust funds of Social Security and Medicare, and we now know that is true. No. 2, we said it would put upward pressure on interest rates; that, even at a time when the Federal Reserve was lowering short-term rates, it would hold long-term rates up. That is exactly what we see. The evidence is in. It is just as clear as it can be.

I hope as we move forward this year, we can move to rectify fiscal mistakes that were made last year. The raids on the Social Security and Medicare trust funds, the President's budget plans, are dramatic.

Here are the facts. The President is going to be taking every penny of the Medicare trust fund surpluses over the next 10 years to pay for his tax cuts and to pay for other spending priorities—every dime—over $500 billion, according to his own calculations.

The President is going to be taking, under his budget plan, over $1.6 trillion of Social Security surpluses over the next decade to pay for his tax cuts and other spending priorities. It is in his budget. That is his plan.

There is only $600 billion left, every dime of which is Social Security money. The Congressional Budget Office, we believe, when they rescore the President's proposal, will show that virtually all of that is gone because the President has dramatically underestimated the cost of Medicare over the next 10 years.

Yesterday, in a hearing with Health and Human Services Secretary Tommy Thompson, I showed that the Congressional Budget Office believes the President's budget has underestimated the cost of Medicare by $300 billion over the next decade. So there is no money left except Social Security money. That is the hard reality. And the President's budget has taken most of that.

I believe history will show very clearly that Democrats last year proposed a greater tax cut in 2002 to try to give lift to the economy, but we proposed a more modest tax cut over the 10 years because we did not want to endanger the trust funds of Social Security and Medicare, and we did not want to keep long-term rates from following short-term interest rates down because that also gives lift to the economy.

What is important to understand is that fiscal policy—that is, the spending and tax policy of the Federal Government—can adversely affect the monetary policy that is guided by the Federal Reserve Board. While we move to give lift to the economy through stimulus, that can all be countered by interest rates. If interest rates go up or stay high, that can prevent the economy from gaining strength and moving forward.

Facts are stubborn things, as a previous President said. I believe the facts of who stood where with respect to economic policy are just as clear as they can be—absolutely. Tax cuts last year helped reduce the impact of the recession. But it was Democrats who advocated substantial tax cuts last year. It was not the President, either in his February budget or in his April budget. He proposed virtually no tax relief last year. That is the fact.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ADMINISTRATION'S COUNCIL OF ECONOMIC ADVISERS REPORT

Mr. DASCHLE. Mr. President, the administration's Council of Economic Advisers will issue today some self-serving economic revisionism—a little like a figure skating judge awarding the gold medal to his own team. We are going to hear that the recession was somehow shorter and shallower than it would have been without last year's mammoth, surplus-swallowing tax cut.

Let me just say, I might like to change economic history, too, if I had just blown a $5.6 trillion surplus in less than a year. But let's set the historical record straight.

The administration's proposed 10-year tax cut, when they offered it last year, was $1.7 trillion, plus about $300 billion in interest—about $2 trillion. Of that, there was zero stimulative tax cut. Not a dime was to go out to the American people in the year 2001, last year.

Let me restate that. There was no economic stimulus in the $2 trillion tax cut that the administration originally sent to Congress.

Democrats who were concerned about the recession were the ones who proposed to give working American families immediate tax relief to get the economy going again. Our Republican colleagues, as late as last week, were arguing that there is no stimulative impact at all to rebates for working Americans.

But now we have the White House Council of Economic Advisers suffering a case of convenient economic amnesia. They are not only forgetting that the administration did not propose a stimulus, they are also forgetting what happened to long-term interest rates as a direct consequence of their ill-advised, long-term fiscal policy.

The administration's plan, history will show, was exactly reversed: No stimulus but huge, long-term fiscal damage.

The budget just released affirms the return to deficits. It has been hugely damaging to our long-term fiscal condition, including diverting $1.5 trillion of the Social Security trust funds just as the baby boom generation is about to retire.

Just as important, though, is that long-term fiscal mismanagement has hurt us in the short term. Long-term interest rates have remained stubbornly high even as the Fed reduced short-term rates 11 times. Ten-year Treasurys were at 5.01 percent in January of 2001, and at the beginning of February 2002, they were at 5.05 percent.

That means that homes are harder to buy, student loans are more expensive, credit card interest rates remain unnecessarily high. All of that has harmed people, and it has harmed the economy.

So let's just remember where we were last year at this time: The administration had the wrong prescription for both the immediate and the long term. They proposed no tax cuts at all during the year 2001—zero for working families. It was Democrats who insisted on a rebate that ultimately passed without the support of the administration. But then they gave huge giveaways—tilted heavily toward those at the top income levels—that explode as we move forward. Those giveaways could expose us to fiscal disaster as the baby boomers approach retirement.

So we should be clear on what happened. Democrats were for immediate stimulus for working families and for prudent long-term tax cuts that would not have jeopardized our fiscal future or the retirement security of millions of Americans.

The report that we are going to get today from the administration is trying to substitute political sound bites for sound economic analysis. No fair judge would call the administration's economic plan a medal-winning performance.

NATIONAL LABORATORIES PARTNERSHIP IMPROVEMENT ACT OF 2001

Mr. DASCHLE. Mr. President, under the authority granted to me on Thursday, February 14, I now call up Calendar No. 65, S. 517.

The PRESIDING OFFICER. The leader has the authority. The clerk will report the bill by title.

The bill clerk read as follows: